

**FINANCIAL CONTRIBUTIONS POLICY FOR CHILDREN LOOKED AFTER BY
CAMBRIDGESHIRE COUNTY COUNCIL**

To: **Children and Young People Committee**

Meeting Date: **9 December 2014**

From: **Adrian Loades, Executive Director: Children, Families and
Adults Services**

Electoral division(s): **ALL**

Forward Plan ref: **N/A** *Key decision:* **No**

Purpose: **To consider the policy and implications relating to
financial contributions for the parents of children and
young people looked after by the Council**

Recommendation: **Members are requested to agree to the introduction of a
means tested contributions policy for the parents of
Looked After Children.**

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1.0 BACKGROUND

- 1.1 Under Part III of Schedule 2 of the Children Act 1989, the Council has a duty to consider whether it wishes to recover contributions towards the maintenance costs of looking after children in its' care. The Council previously operated a fixed charge 'charging policy' but this was removed a few years ago when the costs of administering the scheme outweighed the income. The policy proposed below has a means tested assessment approach which although more complicated, costly and time-consuming to use, is fairer.
- 1.2 Children's Social Care Management Team agreed, in principle, the draft contributions policy proposal on 13 August 2014.
- 1.3 A report on the policy was presented to Spokes on 4 September and following confirmation of legal advice again on 23 October 2014.
- 1.4 The policy has been checked by LGSS Legal Services with subsequent advice provided on 10th November 2014.

2.0 MAIN ISSUES

- 2.1 The Council is committed to ensuring that children and young people only become looked after when there is no other alternative. The Council is also committed to promoting the notion of parental responsibility. This contributions policy seeks to ensure that parents share accountability with the Council when their children are looked after in accordance with their ability to do so.
- 2.2 In most circumstances, parents of children who become looked after are in receipt of benefits and no contribution can be sought. However, even where there is a small proportion of parent with sufficient means it is reasonable that they should be asked to contribute to the costs of caring for their child if they become looked after.
- 2.3 Under the Children Act 1989, contributions towards the costs incurred by the local authority when looking after a child must be reasonable and should not exceed the fostering allowances paid by a local authority to its own foster carers – including the weekly equivalent of birthday, holiday and religious festival allowances. As such, the maximum contribution payable varies with the age of the child or young person. The actual amount contributed is based on an assessment of the financial circumstances (as detailed in paragraph 5.0 in the policy) of the parents or of the young person themselves, if they are aged 16 or 17 years.
- 2.4 A child becoming looked after can be traumatic and it is recognised that this may be a difficult time to start a financial assessment. However, it is essential that parents are made aware that they retain parental responsibility for their child and that they may be expected to contribute towards the costs of their care. The financial assessment should, therefore, start before the child or young person becomes looked after, or as soon after if this happens in an emergency.

- 2.5 The child or young person's social worker is responsible for providing contribution information and guidance leaflets to parents and ensuring that parents complete the financial assessment paperwork. The completed paperwork is then sent to Finance for the contribution amount to be calculated.
- 2.6 Where a parent fails to complete the financial assessment and no exemptions apply, then the social worker (with the agreement of their Group Manager) must notify Finance. In these instances, the parent will be charged the full cost of the equivalent age-related fostering allowance. Failure to comply may result in legal action by Legal Services
- 2.7 It is important not to penalise families who are doing all they can to meet the needs of their children, particularly those who have complex disabilities. Most children access short breaks without any requirement for them to become looked after but those who have particularly complex needs may well access more than the permitted maximum number of overnight stays before they must be considered to be looked after. Including these children and young people within the proposed contributions policy would have the impact of penalising families who are appropriately accessing support services in order that they can continue to care for their children. There is no intention of charging such families through the application of this contributions policy in these circumstances.
- 2.8 Contributions policies have been adopted by a small but growing number of other Councils e.g. London Boroughs and Shire Counties with a variety of approaches to and degrees of implementation.
- 2.9 In the event that a contributions policy is adopted, it is proposed that the policy should apply to all newly looked after children and young people from 1st April 2015 or another date decided. Further work is required on the mechanism for charging. Those parents with children already looked after will be given three months' notice of the intention to assess them for a financial contribution from the agreed date of implementation.
- 2.10 It is unlikely that there would be financial savings from this policy and it is not intended to be an approach to generating income. There will be only a low number of families eligible to make a contribution. However, the principle of ensuring that parents, who are able to do so, make a financial contribution for their children in the care of the Council provides a clear statement about shared accountability. We estimate that there will be around 70 -80 families per year who may be eligible to be assessed to make a contribution
- 2.11 If a contributions policy for Looked After Children is to be introduced it needs to bear in mind that the implementation process, including public consultation, is likely to be lengthy along with the implications and risks stated below. If it is to be implemented, it should be trialled for 12 months, with six month review, to assess whether the costs associated with the policy are financially viable.

3.0 ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

3.1.1 There are no significant implications for this priority.

3.2 Helping people live healthy and independent lives

3.2.1 There are no significant implications for this priority.

3.3 Supporting and protecting vulnerable people

3.3.1 There are no significant implications for this priority.

4.0 SIGNIFICANT IMPLICATIONS

4.1 Resource implications

4.1.1 There would be some social work costs in terms of additional workload – the functions most affected will be Access, Children In Need and Disability services. The subject of making a contribution will have to be raised by Social Workers with families as part of the discussions about their child/young person coming into care, along with how their child benefit and housing benefit will be affected.

4.1.2 There is limited capacity within existing Business Support teams to administer such a policy and it has been agreed that the process and means assessment calculations will need to be managed centrally, with one point of contact, for efficiency but which will have administration costs.

4.1.3 Age of children becoming looked after

Age (years)	U1	1-4	5-9	10-15	16+	Total
2012 to 2013	34	27	18	50	37	166
2013 to 2014	46	45	47	60	49	247
April – Oct	29	22	23	65	27	166 (over 7 months)

The number of children becoming looked after is increasing, both locally and nationally. Based on an average of 24 children becoming looked after each month between April and October 2014 we can expect around 118 more children to become looked after over the next five months making a total of 284 for the year 2014 to 2015.)

The cohort of Looked After 16 and 17 year old young people becoming looked after is one of the groups that, where appropriate, we are trying to avoid coming into care. However, legally, this age group has to be assessed in their own right and the proportion of young people earning a chargeable income of their own is negligible.

4.1.4 Looking at our top 50 highest cost placements: 23 (46%) are for young people with complex disabilities with a range of fees from £4,970 per week to

£1,230 per week .13 of these children have split costs with health or education contributing to the cost of the placement. Their families are unlikely to be eligible for charging or it would be inappropriate to do so because either the Local Authority does not have its own local specialist resources to allow the child to remain at home or the decision to look after the child has been made by the Local Authority and the needs of the child are better met than if they were to stay at home.

27 of the 50 high cost placements are for young people aged 16 or over, they would therefore need to be means tested in their own right and would result in zero contributions. This leaves the parents of 10 young people who, potentially, could be assessed to contribute if they are not exempt.

4.1.5 Each year there are between one or two families with a disabled child where a request has been made to extend a 38 week placement to a full-time 52 week placement. These families would be eligible to be asked to contribute to the cost of the additional 14 weeks.

4.2 Statutory, Risk and Legal Implications

4.2.1 The following bullet points set out details of significant implications identified by officers:

- The Director of Children's Services would be able to waive all or part of the contribution where it appears that enforcing this would be likely to result in a child or young person being likely to suffer significant harm, or where there is evidence that severe financial hardship would result, and in circumstances where the net contribution would be less than £5 per week. This mitigates risks that the policy may result in a child or young person suffering harm because of the proposed policy.
- There is a risk that the cost of recovering the charges will exceed the charges themselves as this policy aims to recoup some of the costs and is not an income or savings generating policy, at best the costs of administering the scheme will be covered. However, the costs of running the scheme will be kept lower by ensuring that there is no need for a means test if the parents can prove that they are in receipt of the main state benefits. It is only those few parents who would be eligible to make a contribution who are further assessed
- Legal advice is that before the policy is implemented it should first go out for public consultation with parents and young people.
- It is recognised that other local authorities have received adverse publicity associated with the introduction of a financial contributions policy.

4.3 Equality and Diversity Implications

4.3.1 The following bullet points set out details of significant implications identified by officers:

- The parents or carers of children and young people who are looked after

because they are accessing a series of short breaks, but who otherwise reside with their parents/carers are not liable to make contributions under this policy.

- Looking at the demographics of our LAC population there is a high proportion of the parents of children under 16 in receipt of Income Support, Income Related Employment and Support Allowance, Income Based Job Seekers Allowance/Universal credit, Working Families Tax Credit or any element of Child Tax Credit above the Family Element who would not, therefore, be eligible for charges.
- As described in the policy, the means testing approach establishes a test of reasonableness which would be applied equably to ensure parents are not discriminated against (see para 4.0 in **Appendix 1**)

4.4 Engagement and Consultation Implications

4.4.1 The following bullet point set out details of a significant implication identified by officers:

- As referred to in 4.2.1, legal advice is that before the policy is implemented it should first go out for public consultation with parents and young people

4.5 Public Health Implications

4.5.1 There are no significant implications for this priority.

4.6 Localism and Member Involvement

4.6.1 There are no significant implications for this priority.

Source Documents	Location
Financial Contributions Policy for Children and Young People Looked After by Cambridgeshire County Council	Appendix 1